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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/505,361	02/16/2000	John M. Packes JR.	99-025	6202

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STAMFORD, CT 06905

EXAMINER
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CARLSON, JEFFREY D

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 01/27/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/505,361

Applicant(s)

PACKES ET AL.

Examiner

Jeffrey D. Carlson

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 14 March 2003 and 07 April 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-28, 34-43 and 47-52 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-28, 34-43 and 47-52 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.  
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_
- 4) ☒ Interview Summary (PTO-413) Paper No(s) 11
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

### **DETAILED ACTION**

1. This action is responsive to the after final amendments filed 3/14/03 and 4/7/03, both of which have been entered.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-28, 34-43 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. These claims are not "within the technological arts" – see below.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of

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whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

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In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within

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the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention

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In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

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In the present application, the body of the claims do not set forth at least one computer-based feature responsible for providing a non-trivial feature of the invention.



***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 47-52 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- Claims 47-52 include a limitation that the apparatus/computer medium instructions/processor "obtain the predetermined document." It is unclear how this is accomplished by the apparatus/computer medium instructions/processor. The specification appears to only disclose such a step of obtaining/surrendering carried out by hand, not by a computer. It is unclear what this step includes.

***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-3, 5, 34, 38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore (Quaker State reacts quickly to Sears bottle, Oil Daily 4/1/1987).

Regarding claims 1, 5, 34, 38, Moore (end of article) teaches the idea of offering an instant rebate at a retail store in exchange for an available mail-in rebate. The mail-

in procedure is then handled on behalf of the customer. This is taken to encompass identification of a product and its available, associated, first, mail-in rebate as well as the offering of a second, instant rebate in exchange for the first mail-in rebate. The step of handling the mail-in procedure on behalf of the customer is taken to inherently provide a surrendering of the appropriate document(s) required for mail-in redemption. However, Official Notice is taken that it is known to require a proof of purchase document to be mailed in order to redeem the mail-in rebate. It would have been obvious to one of ordinary skill at the time of the invention to have required the customer to surrender such a document so that the retailer can successfully handle the mail-in procedure for the customer. Although preventing a customer from redeeming the first (mail-in) rebate is claimed merely as functional language, this surrendering step of Moore accomplishes such. The customer's choice to accept the instant 2<sup>nd</sup> rebate in exchange for the 1<sup>st</sup> rebate reads on accepting input indicative of a selection of the alternative rebate. The surrendering "at a terminal" is very broad and requires no more than a "location" or simply in a store that includes a computer terminal – no interaction with the terminal specified. However, Moore teaches surrendering at a service counter location which would have been obvious to one of ordinary skill at the time of the invention to have included a computer terminal for handling/registering/tracking such instant rebates as well as other service counter functions such as returns, etc.

Regarding claims 2, 3, the words "term" and "condition" are both taken to require a "stipulation" associated with the rebate and no distinction is required between the two words. Both the retail and manufacturer rebates require purchase of the qualifying

product; this stipulation is taken to provide a condition and/or term of the rebate.

Similarly, the value of the rebates are both inherently associated with and based on the value of the original product.

3. Claims 6, 16, 17, 20, 39, 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore in view of Mori (US5200889).

Regarding claims 6, 39, 40, Mori teaches earning rebates and crediting them to a user account identified by a membership card until the user chooses to redeem them later [1:45-63, 5:8-13, 8:11-23]. It would have been obvious to one of ordinary skill at the time of the invention to have credited the value of the 2<sup>nd</sup> rebate to the customer's account/card for later redemption in a manner as taught by Mori so that the user can accumulate value to be used for future purchases.

Regarding claims 16, 17, 20, the customer providing the card/identification and the customer returning to make a future purchase (inherently at least 1 future visit) where the stored rebate amount is used are taken to provide a terms and redemption conditions.

4. Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Moore in view of Mori (US5200889) and LA Times ("Loyalty: Check it out" 7/8/1994).

Regarding claim 11, LA Times teaches defining customer deals for customers based on their frequency of shopping, or characteristics of shopping. The disclosed rebates award a customer with a promotion that requires purchase of a specific product.

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It would have been obvious to one of ordinary skill at the time of the invention to have required the customer to purchase a particular product specified by the awarded coupon/promotion for participation, and modified the redeemed value based on the customer characteristics as taught by LA Times.

4. Claims 12, 13, 36, 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore in view of Chew (US5901303). Chew teaches to dynamically change promotion values, depending on product sales/usage [col 7 lines 25-35]. It would have been obvious to one of ordinary skill at the time of the invention to have changed the value of the rebates based on such manufacturer information such as sales or redemption of the current promotion campaign, so that the promotion campaign can be altered to stimulate additional sales/redemptions if the campaign was not meeting expectations.

5. Claims 14, 15, 21-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore in view of Chew and LA Times ("Loyalty: Check it out" 7/8/1994). LA Times teaches defining customer deals for customers based on frequency of shopping, or characteristics of shopping. It would have been obvious to one of ordinary skill at the time of the invention to have based the rebate promotion values on characteristics of the customer, as taught by LA Times.

Regarding claim 21, identification of the customer making the transaction is used as a basis for determining the promotional value, and is taken to be "information about a purchase transaction".

Regarding claims 22 and 26, it would have been obvious to one of ordinary skill at the time of the invention to classify a customer who returns as a frequent shopper, and it would have been obvious to one of ordinary skill at the time of the invention to have provided higher frequent-shopper benefits to such a customer.

Regarding claims 23, 24, 27, LA Times teaches "deadlines" for rebates, which is taken as an expiration deadline whereby the rebate value is "zero". Rebate value decreases to a value of zero for all redemption times past the deadline.

Regarding claims 25 and 27, a customer who does not make frequent purchases (over time) will not be classified as a frequent shopper and will not be eligible for such frequent-shopper promotional values.

5. Claims 4, 28, 35, 47-50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore in view of Fajkowski (US5905246).

Regarding claims 35, 47-50, Fajkowski also teaches the idea of identifying a manufacturer mail-in rebate and enabling the customer to choose an instant rebate instead [5:55-64, 24:57-67, 25:1-22]. Fajkowski teaches that the POS scans a product and searches a database to identify an associated manufacturer's mail-in rebate, if available. The customer is given the option of selecting an instant rebate. It would have been obvious to one of ordinary skill at the time of the invention to have used such

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computer processing with Moore to identify the products and rebates and to process the offering, selection and issuing of the 2<sup>nd</sup> rebate in order to automate and manage the accounting of the rebate program.

Regarding claim 4, claiming a rebate as a "POS rebate" is quite broad and can include a rebate having any characteristic associated with a point of sale, such as selection at, issuance at, redeeming at or qualifying for at a point of sale. Fajkowski teaches that the second rebate can be issued at the POS.

Regarding claim 28, Fajkowski teaches that it is known to determine the amount due to the retailer from the manufacturer for manufacturer promotions [2:28-31]. However, the handling of the mail-in rebate on behalf of the customer inherently provides a reimbursement value for the retailer.

6. Claims 7-10, 41-43, 51, 52 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore in view of Fajkowski and Mori.

Regarding claims 41-43, the customer providing the card/identification and the customer returning to make a future purchase (inherently at least 1 future visit) where the stored rebate amount is used are taken to provide a terms and redemption conditions.

Regarding claims 51, 52, Mori teaches earning rebates and crediting them to a user account identified by a membership card until the user chooses to redeem them later [1:45-63, 5:8-13, 8:11-23]. It would have been obvious to one of ordinary skill at the time of the invention to have credited the value of the 2<sup>nd</sup> rebate to the customer's

account/card for later redemption in a manner as taught by Mori so that the user can accumulate value for future purchases.

Regarding claims 7-10, such a combination provides offering the 2<sup>nd</sup> rebate at the POS and redemption of the 2<sup>nd</sup> rebate at any POS, including the same POS.

***Allowable Subject Matter***

6. Claims 18 and 19 would be allowable if rewritten to overcome the rejection(s) under 35 U.S.C. 101 and 112, set forth in this Office action and to include all of the limitations of the base claim and any intervening claims.

***Conclusion***

7. This action essentially re-addresses the subject matter filed in the 12/09/02 amendment (and subsequent amendments). As such it is being made final.

8. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the

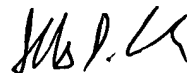
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shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 703-308-3402. The examiner can normally be reached on Mon-Fri 8:30-6p, (off on alternate Fridays).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9326.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.



Jeffrey D. Carlson  
Primary Examiner  
Art Unit 3622

jdc